

## POLICIES & PROCEDURES

The underlying document outlines various policies and procedures Integrated has framed with respect to its dealing with clients for Capital Market transactions. to ensure transparency and facilitate understanding on various aspects related to service delivery. Kindly note that the below stated policies and procedures are subject to change from time to time, depending upon our internal risk management frame work, market and external environment; and clients can refer to the Integrated's website for the updated documents.

**1. Refusal of orders for Penny Stocks :** Integrated generally alerts clients to desist from trading in any penny stocks in view of the associated risk element while dealing in such stocks. Further the client is also required to adhere to exchange/member's guidelines and due diligence while trading in such stocks. Also, SEBI/ Exchanges from time to time issue directives necessitating additional due diligence for dealing in such stocks.

We at our sole discretion, may impose certain restrictions and/or conditions (on case to case basis), subject to rules, regulations, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances and risk policies at a related point in time. These restrictions/conditions include but are not limited to the following :

- a. Restrict wholly or partly for trading in certain security (ies) or category of security (ies)/contracts viz.,
  - i. Illiquid stocks/stocks having low liquidity.
  - ii. Illiquid options/far month options/ long dated options.
  - iii. Writing of options.
  - iv. Securities listed in BE/IL/BTor EQ series on NSE.
  - v. Any other securities/contracts which as per the perception of Integrated are volatile or subject to market manipulation or has concentration risk at client level or at the company level,
- b. accept or partially accept an order for buy and/or sell. Such acceptance may require execution in a controlled environment (for e.g. from centralised desk instead of from designated dealing area or online platform),
- c. cancel orders in above securities / contract received from clients before execution or after partial execution without assigning any reasons thereof,
- d. require the client to provide appropriate declarations before / after accepting such orders.

### **Integrated shall -**

- a) not be responsible for non-execution / delay in execution of such orders and consequential opportunity loss or financial loss to the client,
- b) have the discretion to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and / or the client had previously purchased or sold such securities / contracts through Integrated itself,
- c) have the right to revise the list of such securities / contracts on a periodic basis. Clients can obtain the information about the updated list of securities from the Dealing Branch Office - Sub-Broker.

### **2. Setting up Client's Exposure Limit : Settlement / Margin obligation :**

The Exchange bye-laws requires a member broker to adhere to various trading and settlement obligations and conditions which include but are not limited to -

- a) up front margin maintenance requirements with the Exchange / Clearing Corporation prior to taking an exposure in the market,
- b) cash and collaterals / securities deposit, in prescribed ratio, for margin maintenance
- c) certain margins to be paid for in cheque only for instance, mark to market,
- d) settlement obligations in respect of funds and / or securities to be honoured as per the settlement calendar prescribed by the Exchange from time to time.

In order to enable Integrated to meet the obligation on behalf of the client, Integrated seeks client's co-operation to maintain adequate margin, make timely settlement of obligations, topup margin by scheduled date etc.

### **Exposure Setting :**

Margin based limit / exposure will be set for clients for transacting in Cash and F&O segment. Clients are to pay the upfront margin as per the VaR requirement of the particular scrip fixed by the Exchange subject to a minimum upfront margin of 25%. While computing the available margin, clear credit lying in Client's settlement and margin ledger, client securities pledged with the Exchange after prescribed haircut will be considered.

Margin can be paid in the form of Online Fund Transfer / Cheque and value of shares pledged with the Exchange after prescribed hair cut will be considered. List of shares that is accepted as pledge by the Exchange will alone will be considered. This list is subject to revision from time to time based on Exchange approved list, market volatility, internal guidelines. This list of securities can be obtained from our branches or by writing to [customer@integratedindia.in](mailto:customer@integratedindia.in) .

As per the SEBI Circular CIR/HO/MMIRSD/DOP/CIR/P/2019175 dated June 20, 2019 on Handling of Client Securities the following compliances will be followed:

- a) Stocks purchased by the client and payment not received will be transferred to Client Demat account with Auto pledge to Client Unpaid Securities Pledge Account. This auto pledge is having a charge of Rs.30/- per ISIN and will be debited to client account.
- b) No exposure will be given on the value of securities available in Client Unpaid Securities Pledge Account.
- c) If payment not received from the client, stocks will be liquidated on T+1 +5 without any further intimation.

### **3. Brokerage Policy :**

Integrated may charge a brokerage for all trades facilitated on NSE / BSE or any other recognised exchange of which Integrated is a Member. Brokerage may vary from client to client, as per the terms agreed with the client at the time of Registration or by way of any subsequent written agreement between the client and Integrated. The rate of brokerage shall not exceed the maximum permissible brokerage stipulated by Exchange / SEBI.

The slab rate of brokerage fixed by Integrated may be function of the quality and cost of services provided to the client and the volume and revenue expected from relationship. It shall be reviewed by Integrated from time to time and may be changed in such manner as Integrated may deem fit provided that the same would not contradict the regulatory provisions.

The brokerage shall however be exclusive of the following : Goods Service Tax, STT & CTT and Education Cess, SEBI / Exchange / Clearing member charges Stamp duty Statutory charges payable to Exchange / SEBI / Govt. Authorities etc., Bank charges towards the cheques returned unpaid, Charges towards customized / specialised service

### **4. Imposition of Penalty/delayed payment charges**

#### **Delayed payment charges/ margin shortage charges:**

As per the Exposure Limit section outlined earlier in the document, client shall maintain adequate margin/ settle the obligation / top-up the margin by scheduled date. In case client fails to settle the dues in time, Integrated shall reserve the right to -

- a) levy delayed payment charges, not exceeding 2% per month, or such other rate as may be determined by the Integrated from time to time, on account of delays / failure by the client in meeting the pay-in / margin obligations / mark - to- market obligation on the scheduled date till the date of payment in cash and / F&O segment,
- b) levy a charge for disproportionate cash versus collaterals ratio prescribed by the Exchanges for deposit of margins in F&O,
- c) not consider any credit balance in other family or group account of the client while computing delayed payment charges on the debit balance in the running account of a client.

The above levy is only a penal measure in case of a client default in meeting settlement and margin obligation and should not be construed as funding arrangement by the client; and the client cannot demand continuation of service on permanent basis citing levy of delayed payment charges.

#### **Penalties levied by Exchanges:**

Exchanges / Clearing Corporation / SEBI levy penalties on the member broker for irregularities observed by them during course of its dealing with Members. Integrated shall recover such imposed penalties / levies, by the Exchange / regulators, from the client which arises on account of dealing by such client. The illustrative list of reasons of levy penalty include but are not limited to :-

- a) Auction resulting from short deliveries
- b) Non- adherence to client-wise exposure limits in Cash and F&O segment,
- c) Client-wise shortfall in F&O margin,
- d) Any other reasons which may be specified by the Exchange / Clearing Corporation / SEBI from time to time.

### **Interest Free Deposits :**

Integrated provides exposure against up front margin received in the form of cash / collateral from the client and the client also has to prerogative to demand withdrawal of cash or collaterals at his discretion, subject to surplus margin in place. Integrated shall not pay any interest or other benefit to the client for maintaining cash balances or depositing collaterals margins with Integrated except for the corporate benefit received on such collateral securities, if any.

### **5. Liquidation Policy :**

(The right to sell Client's securities or close Client's positions, without giving notice to the Client on account of non-payment of dues by Client )

As per the Exposure Limit section outlined earlier in the document, client shall maintain adequate margin / settle the obligation / top-up the required margin by scheduled date. The client agrees and confirms that in case of any delay (beyond permissible time limit as per SEBI or Exchange's rules, regulations, byelaws, circulars and other applicable laws/ provisions) in making the payment, Integrated shall have the right to sell client's security (ies) / positions / contracts, both unpaid securities as well as collaterals deposited towards margins or securities previously purchased by the client or closed out client's open positions / contracts / offset credit balance in other segment / exchange against client's obligations / debit balances / liabilities, and securities held in client's demat account for which limited power of attorney is available with Integrated etc without giving any notice to the client, as per prevalent risk policy from time to time, in circumstances including but not limited to the following.

- a) where intra-day position, if any, not liquidated before prescribed time or placing of fresh intra-day order after a cut-off time fixed by Integrated,
- b) where client is not having adequate margins, as per conditions specified in Exposure Limit section or on account of removal of a security from approved list of collateral and client's failure to top-up further margins.
- c) where client delays / fails to meet the pay-in obligation / mark-to-market (MTM) dues / clearance of debit balances / dues by scheduled date or realisation proceeds of the cheque (s) deposited by the client to meet obligation is not received.

- d) cheque bouncing / not honouring sale obligation by delivering shares in time or due to any reason, delays or fails in clearing outstanding dues to Integrated.
- e) Volume in excess of permissible internal limit cap in illiquid / penny stocks / long dated options / far month options or excessive speculative trading.
- f) Scrip moved in Ban list (due to breach of exchange limit defined for market wide position limit / trading member wide position limit / client wide limit F&O segment, etc.).
- g) Irregularities in dealing and other surveillance / anti money laundering (AML) related observations.
- h) client categorized as ineligible due to non-traceable, disputes, possible default by client and any other circumstances leading to raising non-confidence in client.
- i) Disputed delivery / trading position.
- j) Any direction from SEBI / Exchange or such other regulatory / statutory authorities.
- k) Under such other circumstances as Integrated might think just and proper on case to case basis.

Such liquidation may be in full or partial to the extent of short fall / debit and securities / position / contracts selection would be at the discretion of Integrated. While selling the securities / closing the client's position / contracts, Integrated may take into account the positions closed by the client or collections received from the client till a cut-off time. Securities previously purchased would be used for liquidation where the sale proceeds of unpaid securities or inadequate to cover the pay-in obligations and / or where the unpaid securities appeared to be comparatively illiquid and cannot be sold at reasonable rates to the extent required.

Integrated shall have the right to sell client's securities or closed out client's open positions / contracts but it shall not be under any obligation to undertake this exercise compulsorily and therefore shall not be under any obligation to compensate / or provide reasons for any delay or omission on its part to sell client's securities or close open positions / contracts of the client and client shall be solely responsible for the loss incurred on such liquidation.

#### **6. Shortages in obligation and penalty for defaulting client :**

Clients are required to make Securities / Funds pay in on or before T+1 day. In case of default in security pay-in by the client and the shortage is at member level i.e. internal shortage, a penalty as applicable from time to time, will be imposed on the defaulting client and the benefit will be passed on the respective beneficiary client. Rate of penalty will be decided by member as applicable from time to time and published on our web site.

In case of default of securities pay-in by the client and shortage is vis-a-vis the Exchange auction value of the respective exchanges and all levies, as applicable, shall be recovered from the defaulting client.

#### **7. Inter Client Auction :**

In case, in any settlement, where both the purchase and sale position for any scrip are limited between two or more of our i.e. Integrated Enterprises (India) Pvt Ltd clients only, such that the net position to the concerned exchange in that settlement and for that scrip is "NIL". In such a situation if there is any short delivery then the resultant auction position will be Inter Client since both the legs i.e. the party delivering short and the corresponding purchaser are both Integrated Enterprises (India) Pvt Ltd clients. For determining the auction price, in this situation, the highest of the following prices will be considered, the guiding principle being "purchaser should not lose". 1. Highest purchaser price paid for by the purchaser(s) who have not been delivered the shares due to corresponding short delivery for that scrip in that particular settlement. (OR) 2. Previous day's closing price prior to the pay-in date of that particular settlement plus 5%. whichever is higher will be determined as the auction close out price.

#### **8. Conditions under which a Client may not be allowed to take further positions or the Member may close the existing position of a Client :**

Under various circumstances outlined in the Liquidation Policy section of the document, the Client may not be permitted to take any fresh or further position until the full clearance or earlier dues, obligations, outstanding etc.

Further, it would be the duty of the clients to monitor their position with Integrated from time to time. In case of any delay or failure by the client in meeting any obligation, margin requirements etc. Integrated, at its discretion, may close the open position/contracts without any further intimation to the client in this regard as per the Risk policy.

#### **9. Temporarily suspending or closing a Client's account at the Client's request :**

The client is required to submit written request for closure of account or for temporary suspension of account clearly stating period of suspension, to the nearest branch office of the Member. Upon receipt of request and after satisfying itself with respect to all information / documentation and settlement of client dues, the Member shall act upon the request within reasonable time but not later than 30 days from the date of request.

#### **10. Suspension of Trading Account and Deregistering the client :**

##### **Suspension of trading account**

Integrated may carry a periodic review of the client accounts and may, at its discretion, suspend the client's accounts from trading in the following circumstances :

- a) Where the client status is dormant or inactive during last twelve months.
- b) Where the client has not cleared the naked or uncovered debits in prescribed time,

- c) Default by the client in honouring its settlement / margin obligation including cheque bouncing / auction of shares,
- d) Irregular trading pattern from surveillance / AML perspective,
- e) Where Integrated is unable to transfer the shares to the default demat account provided by the client, till the client submits the revised demat account details along with proof,
- f) Where the client is categorized as ineligible due to being non-traceable, pending disputes / complaints, possible default by client and any other circumstances leading to raising non-confidence in client including return of undelivered couriers citing reason of "no such person / addressee left / refusal to accept mails / POD's signed by the third person etc." or Digital Contract Notes (DCN) failed (Bounced email) on more than three instances until client submits and registers new email id or non-delivery of the statement of account sent on periodic basis or non-updation of financial and other details viz., email id, mobile no, land line details or it is found to be belonging to a third person,
- g) Where the account is under investigation by any regulatory body including receipt of notice from statutory, government or local authorities including income tax, service tax, a judicial or a quasi judicial authority or client is arrested by way of court order, police action or any other legal action,
- h) Where the client is reported to or known to have deceased.
- i) Where client fails to provide executed or renewed mandatory documentary requirements as prescribed by Exchanges / Regulators from time to time and / or refusal to do the periodic submissions as required by Exchanges / Regulators.
- j) Under such other circumstances as the Integrated might think just and proper on case to case basis.

**Deregistering a client :**

Integrated may at its discretion de-register the client's account in circumstances including but not limited to the following

- a) Action taken by Exchanges / Regulators or being part of list of debarred entities published by SEBI,
- b) Where the client indulges in irregular activities not limited to synchronized trading, price manipulation, etc. resulting in violation of rules, regulations of the exchange and any other such activity,
- c) Based on information found in sites of CIBIL, Watch out investors, World check or client having suspicious background, link with suspicious organisation etc.
- d) Irregular trading pattern from surveillance / AML perspective,
- e) Where the client is categorized as ineligible due to being non-traceable, disputes, possible default by client and any other circumstances leading to raising non-confidence in client including return of undelivered couriers citing reason of "no such person / addressee left / refusal to accept mails/ POD's signed by the third persons etc." or Digital Contract Notes (DCN) failed (Bounced email) on more than three instances until client submits and registers new email id or non-delivery of the statement of accounts sent on periodic basis or non-updation of financial and other details viz., email id, mobile no, land line details or it is found to be belonging to a third person.
- f) Right to deregister after serving a 30 days written notice without assigning any reason thereof.

In such case, Integrated shall have the right to close out the existing positions / contracts, sell the collaterals to recover its dues, if any, before de-registering the client's account.

**11. Policy for Dormant/ In-active account :**

Where no transactions have taken place in client's account during the last twelve months then it will be considered as dormant/ in-active account. If the account status is tagged as a dormant / in-active account, then the surplus funds or securities lying with Integrated shall be refunded / returned to clients at his last known bank account / DP account for securities or at such other address as mentioned in the Account Opening Form after following KYC norms and on a specific request from the clients.

**Reactivation :**

A client's account will be re-activated, subject to fulfilment of such conditions as Integrated may consider fit and proper -

- a) On submission of proof of identity and proof of address, where the account is suspended due to dormant / in-active status or on client's request, or on submission of such other information / documents as deemed fit by Integrated.
- b) In other circumstances, at the discretion of Integrated, provided there is no outstanding dues from the client or he has no open grievances pending against Integrated or client has complied with all requirements of Integrated of submission of information / documents or on fulfilment of such other conditions that Integrated may impose at its discretion.
- c) In case if there is no change in address, Mobile number, Bank details, Income updation and email ID, the client code will be activated based on the request from the client through registered email id of the client.
- d) If the client is requesting for a re-activation after a period of 2 years of no transactions, such trading accounts will be activated only after obtaining the full KYC documents including IPV
- e) Integrated will insist for IPV of the client, specifically if the client is aged 70 or more at the time of re-activation of dormant account over 2 years. If the client insists for an online trading account and aged above 70 we will request for IPV to understand that the client is aware of the nuance of online trading and has a bank account with net banking facilities.

### Updates :

The client agrees & accepts that any client modification updation viz., Default Bank, Mobile Number, Default Demat Account, E-Mail etc., will be done only upon proper verification of the requests and confirmation obtained from the respective clients from the HO through the updated Mobile number in the respective trading account. Integrated will not be held responsible/consequences for any delay in the updation of Default Bank/modifications in the account of the client by not responding/picking up the calls made on the updated Mobile Number for confirmation. In case the client does not respond to our calls or refrains from attending the confirmation calls made from the HO, Integrated will not proceed with the updation requested for and will not be held liable for the delay in updation.

### Significant Policies and Procedures

Kindly note that the below stated policies and procedures are subject to change from time to time, depending upon our internal risk management framework, market and external environment;

- v An investor who wishes to execute transactions in MFSS, Capital Market and Derivative Market is registered as a client after all the due diligence required like KYC documents and proofs for profile details as mandated by the Regulators from time to time. (updated post 2012)
- v An Investor has to transfer funds from his registered bank account(s) only for the purpose of executing transactions in his trading account. Transfers /Credits effected / received from unregistered or third party bank account will NOT be credited and will NOT be considered for meeting settlement obligation, margin requirements etc., to the trading account of the client.
- v The investor can utilise the exposure available provided at his/her request to place orders either through ONLINE or through our branch (OFFLINE) as and when he/she wishes to execute transaction.
- v Settlement of Obligations - Cash Market : As per the Regulatory norms, the investor is required to make pay-in of funds on or before T+1 days ("T" being the trading day) for the obligations arising out of the transactions executed by him/her in the Capital Market Segment.
- v Settlement of Obligations - Derivative Segment: The settlement of funds for the obligations (MTM) arising out of Derivative Market transactions is T+1 day. All the clients are required to clear the obligation under the above mentioned settlement period or any other settlement period as per the directions of the Regulator from time to time.
- v In case of delay in settlement of funds by the clients, delayed payment charges at 18% per annum will be charged on the debit balances till the time of clearance. However, the maximum period for holding the securities with Delayed Payment Charges is Trading day plus Five days (ie., T+5) only as per Regulatory norms. The debit balance in the ledger account will be cleared on T+6 from our end by sale of shares available in the Ben/Pool account, Margin/Collateral account and also from the Demat account with POA, of the client.
- v The liquidation of shares on T+6 will be done by Integrated (in compliance with SEBI regulations) without any further intimation to the client. Client should not claim the price / preference of shares sold on liquidation. If the liquidation for clearance of debit balance (T+6) is done by INTEGRATED (at our end) the client code will be blocked for further purchases on that day and limits for selling only will be allowed (provided). Therefore to avoid blocking of client code and T+6 liquidation, funds to clear the debit balance will have to be received by 5:30 pm on T+5. The exposure provided as INTRADAY will be squared off by INTEGRATED (at Head Office) any time between 3.00 p.m. and 3.30 p.m. at the prevailing market rates or as and when the MTM loss triggers the account under RISK.
- v Clients can use ALLINONE Login for transfer of funds to clear settlement obligations. This facility is available in [www.integratedindia.in](http://www.integratedindia.in) and the same can be activated through our branches. NEFT can also be done to the following bank accounts and screen shot of successfully transfer /UTR No. will have to be sent to [accountssmdbbranches@integratedindia.in](mailto:accountssmdbbranches@integratedindia.in).

| Bank Details            | HDFC BANK LTD                          |
|-------------------------|--|
| Our Bank Account Number | INTENT (TRADING Client CODE)*          |
| For Eg. *               | INTENTC0201A001                        |
| IFSC CODE               | HDFC0000240                            |
| Name of Beneficiary     | INTEGRATED ENTERPRISES (INDIA) PVT LTD |
| Beneficiary Bank Name   | HDFC BANK LTD                          |
| Bank Address            | Sandoz Branch, Mumbai                  |



- v In case the debit balance in the ledger account is increasing and the client is not bringing additional funds within the time limit prescribed above, INTEGRATED will have the full rights to liquidate the position ANYTIME. T+6 liquidation will not have any bearing if the account turns RISK anytime within T+6.
- v Physical Settlement of Derivative Positions: The Regulators have issued a circular to the effect that certain scrips traded in the Derivative Market are to be settled physically. The relevant Circular number NSE/FAOP/37594 dated 23rd April 2018, is available on NSE Website. The clients are requested to refer to the circulars from the Exchange as and when published. Thus, we at INTEGRATED, will NOT be providing any Exposure on the scrips listed/marked for Physical Settlement FOUR working days prior to the Expiry day. All the outstanding positions in the said derivative contracts are to be squared off four working days prior to the Expiry. If the client wishes to take delivery of the contract purchased, he/she needs to have clear credit in the trading account FOUR days prior to Expiry. In case, the client has not squared off the positions and the trading account is having any open positions, INTEGRATED (we) will be liquidating the positions at our end before expiry.
- v INTEGRATED shall not be liable / responsible for -
  - (a) Any loss arising out of the liquidation of shares from the Ben/Pool account and Margin/Collateral account and Demat account with POA, of the client.
  - (b) Any loss arising out of the Auto Square off liquidation of the INTRADAY positions taken by the client.
  - (c) The auction losses, if any, for the uncovered short positions created by the client not squared off due to any reason like scrip in upper price ceiling etc.,
  - (d) Debit balances / losses arising out of carry over of any positions, NOT squared off by INTEGRATED (us) due to technical snag / VSAT or connectivity related issues with the Exchange.
  - (e) Debit balances / Losses arising out of any Derivative Contract marked for Physical Settlement NOT squared off by INTEGRATED (us) due to any reason like liquidity, connectivity Etc.,
  - (f) If there is any outstanding position not liquidated by the client / Integrated, the exposure to the client will be blocked till such time the client settles his / her debit obligations in the trading account.
- v Client account kept inoperative (by the client) for a period of twelve months will be marked as Dormant Account. To Re-activate the dormant account, client may send an email from the email id registered with INTEGRATED (us) to documents@integratedindia.in . Emails sent from unregistered email ids will not be entertained and the account will not be activated.
- v Client will be receiving Short Message trade confirmations (SMS alerts) on the registered mobile number of the client informing the transactions executed by the client in his account. This is in addition to the IVR trade confirmation calls INTEGRATED (from our end).
- v Quarterly settlement of funds and securities will be done at the end of every calendar quarter and the funds available in the client account on that day will be transferred by NEFT to the default bank account registered in the trading account of the client.
- v For ONLINE clients, payout of funds will be done on request from the client. If there is no request from the client funds available at the client account, if any, will be settled at the time of quarterly settlement.
- v Clients who have NOT registered POA/DDPI in their trading account (having (non-POA/DDPI) Demat account mapped to the trading account) are advised to submit the (duly signed) Delivery Instruction Slip duly signed by all the Demat account holders at the branch on or before 5.30 PM on T+1 day. The DI slips submitted after 5.30 P.M.(this time) will be processed at the risk of the client and the settlement obligation for the securities may or may not get cleared.

Clients are advised to refer to the Risk Disclosure Document, Policies and Procedures document available at INTEGRATED (our) website. For more clarifications required, if any, the clients are requested to write back to us at [customercare@integratedindia.in](mailto:customercare@integratedindia.in).

**Refund Policy :**

The refund policy for all payments made as follows:

- a) demat account closure refund will be sent to the bank account registered in the demat account. client account, if any, will be settled at the time of quarterly settlement. Refund policy.
- b) payouts related to trading accounts will be sent the default bank account registered in the account.
- c) in case of excess funds transferred online or funds transferred and services not availed, the same will be returned to the client upon reconciliation from the payment aggregation.